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IN THE CIRCUIT COURT OF HINDS COUNTY, MISSISSIPPI
FIRST JUDICIAL DISTRICT

DR. DONALD RAGGIO and
DR. CHRIS RAGGIO

PLAINTIFFS

V,

CIVIL ACTION NO. 14-71

JED McCALEB et al.

DEFENDANTS

AFFIDAVIT OF DR. CHRIS RAGGIO

STATE OF MISSISSIPPI

COUNTY OF HINDS

PERSONALLY APPEARED before the undersigned officer duly authorized by law to administer oaths, Dr. Chris Raggio, who, after being duly sworn and deposed, states as follows:

1. I am over eighteen years of age and am competent to give this Affidavit, which is based upon my personal knowledge.

2. I am one of the Plaintiffs in the matter of Dr. Donald Raggio and Dr. Chris Raggio vs. MTGOX, et. al, In the Circuit Court of Hinds County, First Judicial District, Cause No. 14-71, and I have personal knowledge of the facts set forth in this affidavit.

3. My father and I created an account on the bitcoin exchange, MTGOX, in December 2010. At the time, MTGOX was the only source known to me for purchasing large amounts of bitcoin. The front page of the website said "safe and easy" looking materially like the pictures attached hereto, Ex. A. Based on the representations that it would be "safe and easy," I then began purchasing bitcoin on the website.

4. I purchased bitcoin because I hoped, and had an expectation, that the bitcoin would gain substantial value. While no one knew the future of bitcoin or the future value of

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bitcoin, I did know that at least one possibility, and the one I hoped would occur, was that the bitcoin would gain hundreds, thousands, or even tens of thousands of percent in value. I was not alone in my expectation regarding the future value of bitcoin, and I shared that expectation with many other early bitcoin investors, many of whom communicated publicly about those expectations.

5. At the time this lawsuit was filed, I still owned a substantial majority of the bitcoin I bought from other sources besides MTGOX in 2010 and the bitcoin I was successfully able to withdraw from MTGOX in 2011.

6. On January 9, 2011, I noticed that someone had conducted three (3) unauthorized withdrawals on my MTGOX account. The withdrawals totaled 9406.33 bitcoin. I immediately notified Jed McCaleb of the unauthorized withdrawals. McCaleb stated he had frozen my MTGOX account, and began logging all IP addresses on login.

7. The following day, on January 10, I discovered the bitcoin address to which the stolen bitcoin had been moved, and I informed McCaleb of that address.

8. I was later told that another MTGOX account holder named "Baron" had purportedly stolen the bitcoin.

9. On February 10, 2011, McCaleb informed me that he had frozen the Baron account and that the account had enough bitcoin to repay me.

10. On February 26, 2011, Jed McCaleb sent me an email stating that "at the very least this guy is going to give your coins back" but that he wanted to "wait longer though to gather more evidence if he is in fact related to other fraud that has happened on the site." I responded the same day letting McCaleb know that while I wanted the coins back, I understood the coins had value for investigating further fraud on the site.

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11. On March 5, 2011, I notified Jed McCaleb that I had seen on the online forums that he was transferring MTGOX, and on March 6, 2011, I emailed Jed McCaleb again to ask if I needed to direct my communications to the new owner of MTGOX.

12. On March 7, 2011, Jed McCaleb replied to both emails by saying "Yeah Mark is the new owner and he will handle getting your coins back." Prior to that March 5 email, McCaleb never informed me that he was selling MTGOX. McCaleb also never informed me that he, in fact, retained a 12% ownership interest in MTGOX.

13. At all times prior to the March 5-7 email correspondence between myself and Jed McCaleb, he made written and oral representations that I would receive my bitcoin back once an investigation was completed.

~~14. On March 8, 2011, I began to correspond with Mark Karpeles, who said that a judgment must be obtained in Japan in order to direct any action on the stolen bitcoin.~~

15. On December 21, 2011, I emailed Jed McCaleb informing him as to my recent communications with Mark Karpeles concerning the bitcoin. On December 27, 2011, Jed McCaleb responded that he would talk to Mark Karpeles and that "I'm sure he will eventually give it to you. I know he is trying to do everything by the book so I think he had to wait for legal reasons."

16. After I retained Japanese counsel to investigate this matter in January of 2012, Mark Karpeles made a representation in March of 2012 that his company only inherited the assets related to the bitcoin exchange and never inherited the liabilities that Jed McCaleb had incurred.

17. In March, 2012, after Karpeles told me that I would not be made whole on the missing bitcoin, I did not trust MTGOX, and I did not believe it was prudent to replace

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the lost bitcoin with new bitcoin from the same site with lax security and whose owners repeatedly and falsely represented to me that I would be made whole. Likewise, I was not aware of another location where I could safely replace that number of missing bitcoin. Even if I had known of such an alternate safe location to replace the missing bitcoin, by that time, the bitcoin had increased substantially in value to approximately \$50,000. I did not have \$50,000 at that time and even if I did, I could not justify that substantial investment just to replace the missing bitcoin which I had been promised. The price of bitcoin never returned to the level at which I originally purchased it.

18. I delayed filing a suit in this matter because I relied on the representations that were made to me by Jed McCaleb and Mark Karpeles.

19. ~~On October 16, 2018, I filed a proof of claim in the civil rehabilitation proceedings in Japan relating to MTGOX.~~

20. In November, 2013, the value of my missing bitcoin was approximately \$9,200,000. At the time of the filing of this lawsuit in March, 2014, the value of my missing bitcoin was approximately \$6,225,000. Since filing suit, the value of my missing bitcoin reached a price of approximately \$165 million and the value of my missing bitcoin cash reach a price of \$38 million. Today, as of the date of this affidavit, the value of my missing bitcoin is approximately \$59.5 million and the value of my missing bitcoin cash is approximately \$3.9 million.

21. I expect to retain experts to testify regarding the nature and extent of my full damages.

Further, Affiant Sayeth Not.



Dr. Chris Raggio

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Sworn to and subscribed before me this 1st day of November, 2018.

Reginald R. Brown
Notary Public

My Commission expires: 6/26/2020

